

Exp. II (1949) Department.

MS SERIES.

*closed
mm
super*

G.O. NO. 209 P.H.

Dated 24-1-49

[Despatch Abstract.]

Buildings - Medical Institutions at
Mangalore - Offer of Sir. C. S. Krishnamurthy
Naidu - Acceptance of - Orders passed.

From

Colonel S.L.Bhatia, CIE.MC.MA.MD(CANTAB) FRCP(LOM) FRS (E)
Surgeon-General with the Government of Madras

To

The Assistant Secretary to Government,
Education and Public Health Department, Madras.

Sir,

Ref: Your Telephone Message of dated ^{not per 8/1} regarding the
offer of a building by Sri C.S.Krishnaswami Naidu
of Mangalore.

Copies of the following letters are furnished herewith.

01799

below

1. Letter dated 22-9-48 from the Vice President, Provincial
Welfare Association, Mangalore Branch, Mangalore

2. Letter No. 92416-4 M1 dated 18-11-48 from the Surgeon-General

3. Letter No. 92416-5 M1 dated 19-11-48 from the Surgeon-General.

No other communication has been received from the
Government.However copies of letters received from the Collector of
South Kanara are enclosed for the information of Government.2. As regards the execution of agreement, the Government
Solicitor has to be consulted for the preparation of a gift
deed furnishing him with details regarding the survey
number and titles to the building.

Yours faithfully,

for Surgeon-General with the Govt. of Madras.

RS/8.1

Copy of letter dated 22-9-48 from the Vice-President, Prov-
incial Welfare Association, Mangalore Branch, Mangalore
to the Minister for Public Health Fort St. George, Madras.

I was returning from Madras to Mangalore and on 18-9-48 met at Calicut Sri C.S. Krishnaswami Naidu, Member National Planning Committee and Fish Committee, I.C.A.R. Government of India, New Delhi, whose permanent address is Malabar Fisheries company, Chaliyam (Via Petoake) Beypore. He is the owner of the property well known as Lal Bagh, Mangalore, comprising 7 acres in which is located a substantial two storied bungalow and out houses. It faces the Urva Maidan to the west. It appears he lost his son, Kodandaram, aged 16 years, suddenly some time ago. He wanted to commemorate his name. I suggested to him to make a gift of it to Government to locate a hospital and ask for a suitable commemoration of his son's name. He said he would think over it and also told me that Mr. J.F. Saunders MBE, ICS when he was Collector of South Kanara visited Lal Bagh in company with the D.M.O. to locate the Mangalore Wenlock Hospital. The idea was given up because they thought the cost of acquisition will be too much. Mr. Naidu has written to me a letter dated 20-9-48 as follows:- With reference to my conversation with you during the journey from Calicut to Mangalore on 18th evening re-alienating the property known as Lal Bagh, owned by me for the expansion and shifting of the Government Wenlock Hospital to the name and memory of my deceased son as a free gift is agreed. You can proceed further in the matter for final disposal of the matter.

After receipt of this letter I took him in company of Sri Bahadur N.M. Adyanthaya, Retired Joint Director of Industries to Mr. S.R. Kaiwar District Collector who agreed to forward his application to Government. Thereafter he has presented his offer in the shape of a letter addressed to the Collector making a free gift of Lal Bagh which he estimates at worth three lacs of rupees now for locating a hospital.

hospital. It is possible to ~~sell~~ the site of the Wenlock Hospital and realise not less than ten lacs. The Government has sanctioned two lacs for improving the Wenlock Hospital in site. Thus we would get Rs.12 lacs. The hospital could be vacated in parts to Lal Bagh. I request you to take up this question immediately and if the Wenlock Hospital cannot be shifted the Lady Goshhen Hospital for Women may be shifted or at least a Women's Lying in Hospital could be opened at Lal Bagh. Kindly take up this question immediately and do the needful.

Copy of D.O.No.92416 M1 dated 18th November 1948. *to the HM(PH)*

In reference to our conversation regarding the offer of a building at Mangalore for a hospital by Sri C.S.Krishnaswami Naidu, the position is as follows:

The donor Sri C.S.Krishnaswami Naidu of Malabar Fisheries Company, Chalian, Beypore, Calicut, is offering his property known as the "Lalbagh" Codialbail, Mangalore for the location of a hospital therein in memory of his son. This offer is contained in a letter dated 21st September 1948 which Sri C.S.Krishnaswami Naidu has addressed to the Collector of South Kanara, Mangalore who forwarded it to the Surgeon-General. The District Medical Officer, Mangalore was consulted. In the meantime a communication was received from Government dated 6-10-48 forwarding a letter dated 22-9-48 from the Vice President, Provincial Welfare Fund Mangalore branch, addressed to the Hon'ble Minister for Public Health. This letter also was forwarded to the District Medical Officer, South Kanara. I enclose a copy of letter of the District Medical Officer, No. 1802/48 dated 5-11-48 for your information. *not in file*
above
not in file

The donor has estimated the value of the property as three lakhs of rupees. The District Medical Officer apart from stating that the building will be available for occupation only in April 1949, has not made any recommendation in the matter and has suggested that I should visit the place in the near future. I hope to be able to go to Mangalore in the month of December. In the meantime I suggest that Government may give a general acceptance of the offer made and leave the detailed consideration of conditions thereof to a subsequent date. I am submitting a communication to Government officially on this subject. */A*

Copy of Letter Ref.92416-5 M1 dated 19-11-48.

In continuation of this office letter No.92416-M1 dated 15-10-48, I forward herewith for the information of Government a copy of letter No.1802/48 dated 5-11-48 of the District Medical Officer South Kanara, Mangalore. *not in file*

I propose to visit Mangalore in the month of December and I will then offer my remarks in the matter.

In the meantime, I suggest that the Government will be pleased to accept the offer made by Sri C.S.Krishnaswami Naidu and leave the detailed consideration of the conditions thereof to a subsequent date.

Copy of letter Ref.B.4 19380/48 dated 23rd September, from the Collector of South Kanara.

I enclose a copy of a letter from Sri C.S.Krishnaswami Naidu, whose permanent address is C/O Malabar Fisheries Company, Chalian, Beypore, Calicut. He is offering his property known as the "Lalbagh" Codialbail, Mangalore for the location of a Hospital therein in memory of his son. *p3 wpm*

I have acknowledged the receipt of the letter- copy of my letter enclosed. *p3 wpm*

I am also passing on copies of his letter and my reply to the
to the
prop

-3-

Copy of letter dated 21st September 1948 from Sri C.S. Krishnaswami Naidu, C/O Malabar Fisheries Company, Challam Beypore Calicut, addressed to the Collector of South Kanara, Mangalore.

I am the owner of the property well known as Lal Bagh Codialbail, Mangalore. The full description of the property is given below. I wish to make a gift of that property, which I now estimate at approximately three lacks of rupees, to the Madras Government, for locating a hospital. It is my further wish that in making this gift, my son Kodandaram, who was living here aged 16 years who died suddenly, may be suitably commemorated. I think that the location of a hospital will fulfill my wish.

In view of my objects, it is my earnest desire that action may be taken as early as possible. All future correspondence may please be addressed to me to the care of, Malabar Fisheries Company, Challam, Beypore, Calicut.

Description of the property. The premises comprised in T.S.No.253 of No.2 Ward, Codialbail, Mangalore Town Extent about 7 acres containing a two storeyed and substantial bungalow now numbered as 4-503, and five out-houses, mango and fruit bearing trees, surrounded by substantial laterite compound wall of about 2500 feet.

Copy of letter Ref.B.4 19320/48 dated 22nd September 1948 from the District Collector of South Kanara. to Sri C.S.Krishnaswami Naidu.

above I acknowledge with thanks your very kind letter of the 21st September 1948 offering your property for the location of a Hospital. I am passing on the letter to the appropriate authority and I hope you will hear something definite very soon.

Before concluding I must place on record that in my personal opinion I consider this a unique gift.

Copy of Ref.C.No.B.4/25577-48 dated 15-12-48 from the Collector, South Kanara to the Surgeon-General

below I enclose a copy of letter dated 2-12-48 from Sri C.S. Krishnaswami Naidu, for your information and for such action you may consider necessary in the matter.

below I have acknowledged the receipt of the letter. A copy of my letter is also enclosed.

Copy of letter dated 2-12-48 from Sri C.S. Krishnaswami Naidu C/O Malabar Fisheries Company, Challam, Beypore, Calicut to the Collector of South Kanara, Mangalore.

I beg to remind you of your above letter and shall be glad to receive your reply. *early*

R Please inform the appropriate authority that in case the property is taken by them as free gift from me, they should secure orders in advance, from the Central Government to exempt me from paying Capital Gain Tax (Income tax), if any, on the above gifted property.

Copy of letter Ref.B4/25577-48 dated 15th December 1948 from the District Collector, South Kanara to ~~xxxxxxx~~ Sri C.S.Krishnaswami Naidu.

above I have communicated a copy of your letter to the Surgeon-General with the Government of Madras with whom

with whom the matter is pending at present.

/True copies/

M. L. S. f.

for Surgeon-General with the Government of Madras.

== - - - ==

inv.

-- Draft --

5. C.P.H.D.

Buildings - Medical Institutions
at Mangalore. Offer of Sri. C.S.
Krishnaswamy Naidu - Acceptance
of - Orders passed.

From ~~the~~ ~~Sri~~ Sri. P.R. Banganath

Parja dated 22-9-48

From the S.G. Mys. 92416-2 H.D. 18-11-48

From " " - S.H.D. 19-11-48

From " " - S.H.D. 8-1-49

From

Order 209 P.H. dated 24.1.49
MS

The Govt. accept
with thanks the ^{most generous} offer of Sri. C.S.
Krishnaswamy Naidu to give as a
free gift to Govt. his property at
Mangalore known as 'hal Bagh'
for housing a hospital. They also
accept the conditions attached
to the offer, namely

(1) That the memory of his
late son will be 'suitably
commemorated'

(2) That the property will be
used for hospital purposes only
and that if ~~at any time~~ it ceases
to be so used, it will be
returned to the donor, or his

(3) That so far as it is within
their powers, they will assist in
having the donor exempted from
payment of the Capital Gain Tax
if any payable in respect of the
property.

[H.E. A at p 9 n]

p1 CF

p2 CF

p2 CF

p1 CF

p1 MF

I would delete
this portion, as
the first portion
already met the
wishes of the donor.
The second portion
added, if he wishes

p6 MF

25/6

2/. The Sbr. is requested to report after visiting Mangalore how best the property can be used, to whether it should be used for housing any one of the existing medical institutions at Mangalore or whether it should be used for ~~the~~ opening any ~~new~~ ^{special} ~~medical~~ ^{department} institution. He is requested to send detailed proposals in the matter together with an estimate of the recurring and non-recurring expenditure involved in the proposals.

cf- p 3 cr

3/. The Sbr. is requested to get a transfer deed prepared by the Dist. Solicitor, take it with him when he visits Mangalore and ~~also~~ ascertain the views of the donor on it. He may then forward it to Dist. with his remarks. ~~He may also~~ ~~decide that the property should be taken over as soon as the donor~~ ~~visits him after the donor makes known his intention to hand over~~ ^{it} ~~over~~

A
pp 6-1 m-

Delete - He has stated the property will be available in some

4/. The matter should be treated as special.

to
2.1.04

A copy handed over to Dr. Hallappa (for the Sbr. Camp) at Mangalore
24/1/04

to
The Sbr.
The collector
of S. Kanara
The Dist. Solicitor
Sd/-
M. S. Selli

Government of Madras

Abstract.

Buildings - Medical Institutions at Mangalore - Offer of Sri C.S.Krishnaswamy Naidu - Acceptance of - Orders passed.

Education and Public Health Department.

G.O.Ms.No.209 Public Health.

Dated 24th January 1949.

Read the following:

**From Sri P.R.Ranganatha Punja dated 22nd September 1948.
From the Surgeon-General, Ref.No.92416.4.M1 dated 18th November 1948, No.92416.5.M1 dated 19th November 1948 and No. 92416.8.M1 dated 8th January 1949.**

...

Order:

The Government accept with thanks the most generous offer of Sri C.S.Krishnaswamy Naidu to give as a free gift to Government, his property at Mangalore, known as 'Lal Bagh' for housing a hospital. They also accept the conditions attached to the offer, namely -

(1) that the memory of his late son will be 'suitably commemorated';

(2) that the property will be used for hospital purposes only and that if it ceases to be so used, it will be ~~xxx~~ returned to the donor, and

(3) that so far as it is within their powers, they will assist in having the donor exempted from payment of the Capital Gain Tax if any payable in respect of the property.

The acceptance of the offer is also subject to the condition that Government will decide the manner in which the building can be utilised only after the report called for in paragraph 2 below is received from the Surgeon-General.

2. The Surgeon-General is requested to report after visiting Mangalore how best the property can be used, whether it should be used for housing any one of the existing medical institutions at Mangalore or whether it should be used for opening any special departments. He is requested to send detailed proposals in the matter together with an estimate of the recurring and non-recurring expenditure involved in the proposals.

3. The Surgeon-General is requested to get a transfer deed (proposed) by the Government Solicitor, take it with him when he visits Mangalore and ascertain the views of the donor on it. He may then forward it to Government with his remarks.

4. The matter should be treated as special.

(By Order of His Excellency the Governor)

J.M.Lobo Prabhu,

Joint Secretary to Government.

To the Surgeon-General with the Government of Madras, Madras-6.

To the Collector of South Kanara, Mangalore.

To the Government Solicitor, Madras.

(True copy-Forwarded-By Order)

Letter No. 73345 D3/Hd-24-1-49. 6 P.H. (D3)

My

To

9

Handed over
addressed by ASI
24/1/49

Sri. C. S. Krishnaswami Naidu,
Malabar Fisheries Co.
Challam, Beypore,
Calicut.
(with copy of G.O.)

Sir,

Sub: Gift of 'Lab Bagh'

I am to convey the
Govt's appreciation of your
most generous offer and to
enclose for your information
a copy of the proceedings
No. 209RD dated 24-1-49 passed in
the matter.

Draft I


24-1-49


24/1/49

Yours faithfully,

Draft III

Letter No. 73345 D3/Hd-24-1-49. 5 P.H. (D3)

My

To

del
24/1/49

Sri. P. R. Ranganatha Purnja
Vice-President, Provincial
Welfare Assn, Mangalore,
Branch, Mangalore
(with copy of G.O.)

Sir,

10

Sub: Gift of Lake Bagh

I am to forward for
your information a copy of this
"Cont. proceedings No. 209 P.H. dated 24-1-19 Draft I"

is
19/1/62

R.
21-1-62

Yours faithfully,

Health Deptt
P₃ Section

15/1/26/3
1-5-52

To
Mr Superintendent C.R.B.

Please furnish ~~me~~ the following
records for C.No. 18948.

1) ego(RS) 209 P.H dated 21-1-49

data 1-5-52

Chanthan/Orge
P₃ section
C Comm
- on p₁.

EXPRESS:

Government of Madras.
Education and Public Health Department.
Post copy of express telegram dated 24th January 1949.

...

From the Secretary to the Government of Madras, Education
and Public Health Department, Fort St. George, Madras.

To Colonel (S.L.) Bhatia c/o District Surgeon, Mangalore.

...

Dr. Mallayya (is) bringing Government Order
(Ms.No.209 Public Health dated 24th January 1949) accepting
'Lal Bagh' offered by Sri Krishnaswamy Naidu (Calicut). Mr.
Naidu (is) in Madras (and is) staying (for) about (a) week.
Kindly inspect (the) property and meet Naidu on your return.

~~(True copy)~~

 
21/1/49.

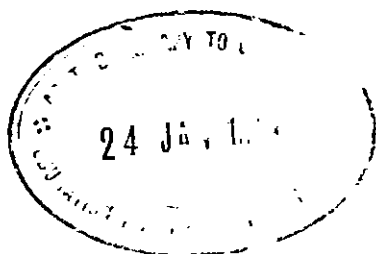
Asst. Secretary to Govt.

*Delivered
2. 5/1
MP
21/1*

Secretary has ordered that the copy for the S.G. may please be sent to Dr. Mallayya, M.L.A., "Woodlands", Royapettah, as he is leaving this night for Mangalore, and give the ~~same~~ G.O. to the Surgeon-General on camp at Mangalore.

SS
24/11/49.
P.C. to G.S.

C.S. Krishnaswamy Naidu,
226, T.H. Road,
Tondiarpet,
Washermanpet P.O.,
Madras.



~~Special~~

Copy to the S.G.

and
SMP
25-11

Not put up-

Letter No. 73345. D3 / 18-6 P.H.d. 25-1-49.

Ref.
To

The Govt. Solicitor/
H. K. Madhav

Sir,

Sub: Property offered by
Sri. C. S. Krishnamany
Naide - Acceptance
of Transfer.

I am directed to
refer to para 2 of Go. 209 P.H.
dated 24-1-49 and to request
that the draft transfer deed

17 E.S.H. (D)

~~21-12~~

was be prepared and passed on
to the 86. ^{as given in print} ~~in a letter~~ after
you get the necessary details
from him.

Sh
27.11.43

yours faithfully,

G
25.11.43.

From ~~the~~ S.G. Sri. P. R. Rangaratha Purja, V.P.
 Provincial Welfare Assn, Mangalore Branch d. 22-4-48
 From the S.G. Refno. 92116 - d. 18-11-48
 From the S.G. S. No. 19-11-48
 From the S.G. S. No. 8-1-49
 Medical Institutions at Mangalore.
 Offer of Sri. E. S. Krishnaswamy Naidu

To commemorate the memory
 of his late son Kodachandaraman, Sri.
 E. S. Krishnaswamy Naidu of Calicut has
 offered to Govt. his property at
 Mangalore known as 'hal Bagh' comprising
 a two storied building with outhouses
 at and 7 acres of land, for housing
 a hospital. As far as is known, the
 offer is subject to the following
 conditions :-

P at p 2 of

(a) The memory of his son should
 be suitably commemorated.

Referred to in
 the letter of the
 Director d. 5-11-48
 not in file.

(b) The property should be used
 for hospital purposes only and if it
 ceases to be so used, it should
~~be~~ immediately revert to the
 donor.

R at p 3 of

(c) That steps should be taken
 to get the donor exempted from payment
 of Capital Gain Tax in respect of the
 property.

p 3 of

2/ The donor has estimated
 the cost of the property at Rs. 3 lakhs
 and has indicated that he will make
 it available for Govt. in April 1949. The
 S.G. has not indicated how the property
 is to be used when it is taken over and
 under what conditions should the Govt.

A at p 2 of

should.

Accept the transfer of the property. He says
That he will make definite recommendations, p2 et
in this regard after visiting Mangalore.
and That in the meanwhile, the Govt.
may generally accept the offer of the p2 et
donor.

3/ The conditions under which
the Govt. generally accept the offers
of private persons or associations to
construct buildings for hospitals and
to hand them over to Govt. for maintenance
are to be found in para 1 of Q.O. 4331 P.H. (V)
22-12-48. These conditions to the extent
they are relevant should, & naturally
apply to transfers of property offered
for use as hospitals. The relevant conditions
are

(1) That the property once transferred
to Govt. will become their absolute
property.

(2) That the Govt. in accepting
such offers will not be committing
themselves to maintain the institutions
concerned ~~perpetually~~ perpetually
regardless of financial considerations.
Here in the present case the donor has
stipulated That the property in question
if it ceases to be used for hospital
purpose should be transferred back
to him. This stipulation goes counter
to the two conditions mentioned above.
The point is whether the Govt. should
acquiesce in this position.

Seen from list
of DHO not in
file

4/ There is a case in which
a Sri. Mangayyan chettiar has offered

Land and buildings for housing a
L.F. Dispensary at Kallal in Pannur
Dist. This gentleman also has hedged
in his offer with the condition that
if the L.F. Dispensary is closed at any
time for financial reasons, the land
and buildings should be handed
back to him. It has been proposed
that this ~~strong~~ condition should be
accepted. On the same analogy, the
Govt. may perhaps accept the offer
of Sri. C. S. Krishnamoorthy Naidu and the
condition that if the property ceases to
be used for hospital purposes, it will be
handed back to him.

17/11/49

For There are two Govt.
Medical Institutions at Mangalore
— the Wendlock Hospital (Headquarters
Hospital) and the Lady Brosehan Hospital
(Ward Hospital). There is no information
whether it will be possible and feasible
to shift any one of these hospitals to
the property offered by the donor. If
this is not desirable and practicable,
the Govt. will have to consider
opening a new hospital at Bahi.
But as noted by the Secy, this question
may wait consideration, till detailed
proposals are received from the
donor. The Govt. may now proceed to
accept the offer of the donor.

6/ The remarks of ~~the~~
and Mr. may be invited before
circulation

XI The S. G. may be

9/11/49

EC DS

informed that the Govt agree to accept the offer. He may be asked to submit a report as to how best the property can be utilized and what will be the extra cost involved. The S. G. may get a transfer deed prepared by the Govt. So better. He is anxious that this offer should be accepted.

17/1/49

J. Amies

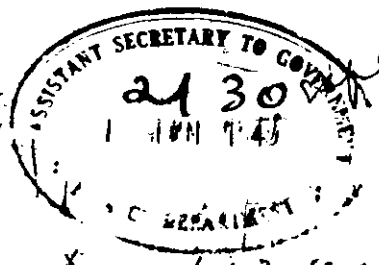
Special

P. H. 73345 DS/22
10-1-49

in (1/4/49)

Please see the notes on pp 1-4 above.

2. Amies may agree to the proposal of S. G. to inform the S. G. that the Govt. accept the offer and to ask him to submit a report as to how the property can be utilized and what will be the extra cost involved. In case the proposals submitted by the S. G. are not accepted by the Govt. for some reason or other, it will be open to the Govt. to return the property to the donor with reference to condition (b) in paragraph 1 above.



X on pp 3-4 above.

3. Govt. will have to take action with reference to condition (c) in para 1 on page 1 above.

Receipt

Hev

Normally, before the offer can be accepted, an estimate of the additional capital involved should be obtained and order of Govt. taken, after following the prescribed financial procedure, as to whether they intend to prepare to enter the ^{dept.} If an immediate reply is to be given to the donor, the offer may be accepted provisionally & Confirmation given later after obtaining Govt's approval for the additional commitments involved.

2927

K

File no 2130
17/1/49

AD 8 17.1.49
FW 17.1.49
SAPB

Please see the notes from plans. Finance have suggested that till after the Govt. have approved the additional commitment involved in accepting the offer, the offer of the donor should be accepted only 'provisionally'. They expect that in accepting the offer, the Govt. will be accepting certain additional commitments also. But unlike in other cases the donor has made it clear here, that if the Govt. do not find it possible to use the property for hospital purposes, they should return it to him. That means that if after accepting the offer of the donor, the Govt. find on an examination of the detailed proposals which the Govt. will put up in this regard, that they cannot use the property for housing a hospital, they can without much ado return the property to the donor. The acceptance of the offer now, cannot therefore be taken as committing the Govt. to any particular course of action involving expenditure from the provincial funds. Further a 'provisional acceptance' while not serving any particular purpose (or in any way advancing the scheme) is likely to give little satisfaction to the donor who may be expecting the Govt. to welcome his offer and hasten to accept it. In these circumstances it is for consideration whether orders will be taken in order that instead of a 'provisional acceptance'

which may not mean much to the donor, a general acceptance of the offer of ~~the~~ may be given

2/ With regard to condition (c) mentioned at p 1 anti that the donor should be exempted from payment of Capital Gain Tax in respect of the property, ~~the Govt. may be asked to~~ ~~report~~ ascertain and report

(a) whether any Capital Gain Tax is paid now in respect of the property and if so, how much, if not why ask for an exemption

(b) whether any exemption is admissible and who is to grant the exemption

(c) on what grounds the exemption is to be ~~claimed~~ action ~~will~~ be ~~taken~~.

AS
19.1.49

AS / 144 (218)

CS
18.1.49

Take it that the word 'provisionally' used by Finance, relates to costs or commitments for expenditure, it need not appear in our letter of acceptance in which a draft may be put up & shown to Finance

② In respect of Capital Gain Tax, we may say that Govt is sympathetic to the request and will help to the extent possible.

③ We may assist the Surgeon General to obtain a draft transfer deed from the Solicitor, which he

A

B

can take into him to hangover
for being shown to the donor
to his suggestions of any

17
1
89

With reference to the above
orders, 3 drafts are submitted below
for approval Fin. & Legal may see
before circulation - ~~Legal with~~
~~reference to para 3 of draft I~~

19/1/49

19
1
4

A at p 2
of the draft.
An attestation is
being made to
put a form
direct from the
Sub-Section.
19-1-49

Special

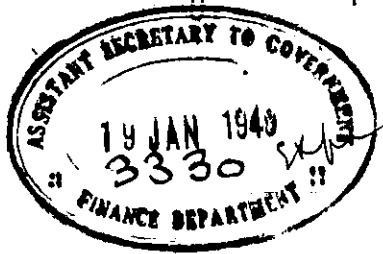
Fin (Exp C)

(Previous Fin. note on page 4 above)

Please see the further notes from page 5 above.

P. H. No. 733 US D3/8-3
19-1-49

With reference to the remarks of J. S., & P.H.
at A on page 6 above, it may be stated that
the intention of this Dept. was that the donor
should be informed that his offer was accepted
provisionally, and that confirmation of acceptance
would be communicated to him, in due course, after
the Govt. had examined proposals in regard to the
utilization of the property. - H.P.H. consider
that the offer should be accepted straight away
without any reservation and have accordingly
put up the drafts below. They may be requested
to circulate the case to H. M. (Fin.) also "a/c"
before issuing the drafts.



4 B w-p 6 above &
drafts below

19/1/49

The donor is offering the building on the
distinct understanding that the Government

03

will use it for hospital purposes. The acceptance of the offer would naturally make him ~~think~~ think that the Government are prepared to put it to such use. It would not be proper to create that impression on him so long as the Government themselves have not come to a decision as to the possibility of using the building for hospital purposes. It is true that the acceptance of the offer on the condition that the property will be used for hospital purposes and that it will be returned to the donor if it ceases to be so used, does not by itself, commit the Government to additional expenditure, but it would certainly be awkward for the Government to accept the offer and then return the building ~~the next~~ *shortly afterwards* ~~day~~, if an examination of the detailed proposals promised by the Surgeon-General, they find that they cannot, in view of the present financial stringency, undertake the additional financial commitments involved. There is not much point in agreeing to take over the building when ~~there~~ there is the possibility of having to return it without using it for the purpose intended. The proper course is first to take a decision on the point ~~whether~~ whether the Government would be prepared to meet the additional commitment involved in using the building for hospital purposes. If the commitment involved will be large, the matter will ordinarily have to go before the Standing Finance Committee and the Cabinet.

A

If a reply to the donor cannot await a decision on the point at 'A' above, there seems to be no harm in telling the donor that his offer is accepted provisionally and that a final reply will be sent after the Government have examined the financial implications involved in using the building for hospital purposes.

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Edn. and P.H. Department (D3).

Please see the notes of Finance on pp.7-8 ante. It would seem sufficient to add the following sentence at the end of paragraph 1 of the draft kept below:

"The acceptance of the offer is also subject to the condition that Government will decide the manner in which the building can be utilised only after the report called for in paragraph 2 below is received from the Surgeon-General".

Subject to the addition noted above, there does not appear any objection to issue the draft order.

The file may be circulated to H.M.(P.H.) and H.M.(Finance) before issue.

J.S.
207.14

J.S. / *1.11* *10/11*
21 *14.11 (P.H.)*
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